

BRETT A. AXELROD, ESQ.  
Nevada Bar No. 5859  
NICHOLAS A. KOFFROTH, ESQ.  
Nevada Bar No. 16264  
ZACHARY T. WILLIAMS, ESQ.  
Nevada Bar No. 16023  
**FOX ROTHSCHILD LLP**  
1980 Festival Plaza Drive, Suite 700  
Las Vegas, Nevada 89135  
Telephone: (702) 262-6899  
Facsimile: (702) 597-5503  
Email: baxelrod@foxrothschild.com  
nkoffroth@foxrothschild.com  
zwilliams@foxrothschild.com  
*Counsel for Debtor*

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re

CASH CLOUD, INC.,  
dba COIN CLOUD,

Debtor.

Case No. BK-23-10423-mkn

Chapter 11

**DECLARATION OF  
DANIEL AYALA IN SUPPORT OF  
DEBTOR'S REPLY IN SUPPORT OF  
EMERGENCY MOTION FOR ORDER  
AUTHORIZING DEBTOR'S ENTRY INTO  
INTERIM MANAGEMENT SERVICES  
AGREEMENT PENDING APPROVAL OF  
SALE OF DEBTOR'S ASSETS**

Hearing Date: June 28, 2023

Hearing Time: 10:30 a.m.

I, Daniel Ayala, declare as follows:

1. I am the Independent Director of Cash Cloud, Inc. dba Coin Cloud ("Debtor"), debtor and debtor in possession in the above-captioned case (the "Chapter 11 Case").

2. Except as otherwise indicated herein, this Declaration is based upon my personal knowledge. I am over the age of 18 and am mentally competent. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

3. I make this Declaration in support of *Reply* to the *Objection* [ECF No. 755] (the “Objection”) filed by CKDL Credit, LLC (the “DIP Lender”) to the Debtor’s *Emergency Motion for Order Authorizing Debtor’s Entry Into Interim Management Services Agreement Pending Approval of Sale of Debtor’s Assets* [ECF No. 710] (the “Motion”).<sup>1</sup>

4. *First*, the Management Agreement is, of course, subject to Court approval (as evidenced by the Motion). Due to a precipitous drop in revenue, coupled with the impending asset sale, the Debtor closed its business on June 11, 2023, and shut down all digital currency machines (“DCMs”). The Debtor was not generating sufficient revenue to pay wages to its remaining skeletal staff or the current rent on any of the host lease agreements. As part of the sale, Heller Capital Group, LLC (the “Buyer”) intends to purchase approximately 1783 host lease agreements (the “Assumed Host Agreements”) by paying all cure amounts and assuming all liabilities going forward. Unless the Manager was able to quickly step in and fund ongoing operations, the value of the Assumed Host Agreements would have plummeted due to the extended down time and disruption in service at these locations. Accordingly, the Debtor is seeking Court approval of the Management Agreement today, authorizing the Debtor to enter into and perform under the Management Agreement as of June 15, 2023.

5. *Second*, there is no dispute that all cash in the DCMs as of June 11, 2023, is property of the Estate. The Debtor is making every effort to collect all of the cash, but the process will take some time, given that there are over 3500 locations. The Debtor has sent armored carriers to collect the cash from as many field locations as possible (concentrating on those with higher cash balances). The Buyer intends to consolidate and service the machines in a select group of central warehouse locations over the coming months. To the extent that the Debtor is unable to collect the cash through its armored carriers in the field before the Buyer picks the machines up, the Debtor will be able to collect the cash from those machines in the warehouse. A copy of a draft workflow chart regarding collection of the Debtor’s cash is attached hereto as **Exhibit 1**.

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<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.



**EXHIBIT 1**

FOX ROTHSCHILD LLP  
1980 Festival Plaza Drive, Suite 700  
Las Vegas, Nevada 89135  
(702) 262-6899  
(702) 597-5503 (fax)

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